

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 AF-10 IO-14 SAM-01 ACDA-19 CIAE-00

PM-07 H-03 INR-11 L-03 NSAE-00 NSC-07 PA-04 RSC-01

PRS-01 SP-03 SS-20 USIA-15 AID-20 IGA-02 OMB-01

TRSE-00 SCI-06 EB-11 COME-00 CIEP-03 DRC-01 /189 W

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R 141450Z AUG 74

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 0266

INFO CINCLANT

COMUSFORAZ

DIA

USCINCEUR

USMISSION NATO

USMISSION USUN

C O N F I D E N T I A L LISBON 3476

USUN FOR AMB SCOTT

E.O. 11652: GDS

TAGS: MARR PO US

SUBJ: AZORES BASE NEGOTIATIONS: COMMENTS BY MINISTRY
OF FOREIGN RELATIONS OFFICIAL

REF: (A) LISBON 3319; (B) LISBON 3432

SUMMARY: FOREIGN RELATIONS MINISTRY AMERICAN DESK
CHIEF BRINGS UP AZORES BASE NEGOTIATIONS AND MAKES
STRONG PLEA FOR SIGNIFICANT US ECONOMIC AND FINANCIAL
SUPPORT AS PART OF AZORES BASE AGREEMENT. SAYS MILITARY
HAS ITS REQUEST READY AND THAT GOP WILL ALSO ASK FOR AN
EDUCATIONAL PROGRAM, GEOTHERMAL PROGRAM, ANNUAL RENT,
AND FOOD. END SUMMARY.

1. IN RECENT CONVERSATION WITH EMBOFF, DR. MANUEL
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LOPES DA COSTA, CHIEF OF THE AMERICA AND EUROPE SECTION

OF THE FONOFF, MADE A STRONG PLEA FOR A GENEROUS AND FORTHCOMING RESPONSE TO PORTUGAL'S REQUEST FOR ASSISTANCE DURING THE AZORES NEGOTIATIONS. LOPES DA COSTA'S PARTICULAR CONCERN WAS THAT THE US APPEAR PUBLICLY WILLING TO PROVIDE ECONOMIC AND FINANCIAL BACKING AT A TIME (EARLY FALL) WHEN THE GOP ANTICIPATES A SERIOUS ECONOMIC CRISIS.

2. THE PORTUGUESE PUBLIC WILL BE GREATLY DISAPPOINTED, SAYS LOPES DA COSTA, IF THE US IS UNABLE TO COME THROUGH WITH SOME HIGHLY VISIBLE SIGNS OF SUPPORT FOR PORTUGAL AS A RESULT OF THE BASE NEGOTIATIONS. LOPES DA COSTA EMPHASIZED THE DESIRABILITY OF CREATING THE RIGHT PSYCHOLOGICAL IMPACT; OTHERWISE, HE GLOOMILY FORECASTS AN UNFORTUNATE SETBACK IN US-PORTUGUESE RELATIONS.

3. LOPES DA COSTA CLAIMS THAT THE PORTUGUESE MILITARY HAVE FELT FRUSTRATED OVER PORTUGAL'S FAILURE TO GET A GOOD DEAL IN PAST AZORES BASE AGREEMENTS. THE MILITARY ARE ANNOYED THAT SPAIN WAS ABLE TO MAKE A MUCH MORE ADVANTAGEOUS DEAL THAN PORTUGAL IN ITS NEGOTIATIONS ON US BASES. THE MILITARY HAVE A GREAT NEED FOR MODERN "TOYS" TO PLAY WITH; THEIR PRESENT EQUIPMENT IS NOT ONLY ANTIQUATED BUT WORN OUT FROM THE WAR IN AFRICA.

4. LOPES DA COSTA SAYS THAT FOR PURPOSES OF THE NEGOTIATION THE GOP FEELS THAT PORTUGAL SHOULD BE TREATED AS AN UNDERDEVELOPED NATION AND RECEIVE ASSISTANCE ON THE SAME TERMS AS A COUNTRY LIKE TURKEY, DESPITE THE FACT THAT PORTUGAL'S PER CAPITA INCOME MAY PUT IT OUT OF THE UNDERDEVELOPED CATEGORY.

5. LOPES DA COSTA, WHO CLAIMS TO BE WORKING DIRECTLY WITH SOARES, WAS CAREFUL TO ASSURE US THAT THE US WOULD HAVE NO PROBLEM WITH FOREIGN MINISTER OR HIS SOCIALIST PARTY (PSP) IN REACHING AN ACCORD ON THE BASE (DESPITE THE PSP'S ANNOUNCED OPPOSITION TO FOREIGN BASES).

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6. LOPES DA COSTA SAID HE WAS AWARE THAT THE US, EXCEPT IN THE CASE OF PANAMA, DID NOT PAY "RENT", BUT HE SAID AGAIN THAT PORTUGAL SHOULD BE TREATED AS A SPECIAL CASE.

7. LOPES DA COSTA SAID THAT OFFICIALS IN THE ECONOMIC AND FINANCE MINISTRIES HOPED TO HAVE A LIST OF PROJECTS READY BY THE END OF THE MONTH. FROM PAST EXPERIENCE

HE UNDERSTOOD THE NEED FOR US AID TO BE IN PROJECT FORM AND HE HOPED THAT THE PROJECTS DEvised BY THE GOP, WHILE GLOBAL IN NATURE, WOULD BE ADEQUATELY ENOUGH WORKED OUT TO MEET MINIMUM REQUIREMENTS FOR US AID.

8. LOPES DA COSTA EXPRESSED GREAT DOUBT THAT THE GOP COULD GET ITS COMPENSATION LIST FULLY IN ORDER BY SEPTEMBER. HE CRITICIZED THE GOP FOR ANNOUNCING THE OPENING OF NEGOTIATIONS, THEN DELAYING THE START FOR A MONTH.

9. AS FAR AS COMPENSATION, OTHER THAN FINANCIAL AND ECONOMIC IS CONCERNED, LOPES DA COSTA SAYS THE PORTUGUESE LIST IS FAIRLY FIRM IN REGARD TO THE FOLLOWING ITEMS:

A. MILITARY - THE MILITARY HAS ITS REQUEST ALL WORKED OUT AND IN PRINT.

B. EDUCATION - THE PROGRAM WOULD BE A FOLLOW-ON TO THE PRESENT ONE STARTED UNDER THE 1971 AGREEMENT.

C. GEOTHERMAL - LOPES DA COSTA THOUGHT THIS WOULD BE EASY TO WORK OUT.

D. WHEAT AND BULGUR - HE THOUGHT THIS TOO WOULD BE VERY STRAIGHTFORWARD.

10. COMMENT: THIS INFORMATION WAS PASSED ON TO EMBOFF AT THE INITIATIVE OF LOPES DA COSTA, WHO LAUNCHED INTO HIS PRESENTATION WITH LITTLE ADO AND SOME PASSION, ESPECIALLY AS REGARDS THE NEED FOR SIGNIFICANT ECONOMIC AND FINANCIAL ASSISTANCE AS A SYMBOL OF US SUPPORT FOR PORTUGAL. IT WAS DIFFICULT TO TELL WHETHER LOPES DA COSTA WAS SPEAKING ON HIS OWN ACCOUNT OR WHETHER HE HAD BEEN INSTRUCTED TO PASS ON THE MESSAGE BY HIGHER UPS IN THE MINISTRY. LOPES DA CONFIDENTIAL

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COSTA SEEMED ANXIOUS TO GET IT ALL OUT, AND WENT THROUGH HIS PRESENTATION POINT BY POINT WITH NO PROMPTING BY EMBOFF. WE HAVE NOTED THE SIMILARITY BETWEEN LOPES DA COSTA'S LIST AND THE LIST APPEARING IN THE TWO EXPRESSO ARTICLES ON THIS SUBJECT (REFS A AND B).
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